

103D CONGRESS
1ST SESSION

S. 161

To provide for an endowment grant program to support college access programs nationwide, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 21 (legislative day, JANUARY 5), 1993

Mr. SARBANES introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

A BILL

To provide for an endowment grant program to support college access programs nationwide, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “College Access Act”.

5 **SEC. 2. PROGRAM AUTHORIZED.**

6 (a) PROGRAM ESTABLISHED.—From amounts made
7 available to the Secretary pursuant to section 6(a), the
8 Secretary shall award grants to eligible organizations to
9 enable such organizations to conduct the authorized activi-
10 ties described in section 4.

1 (b) AWARD BASIS.—

2 (1) MANDATORY.—The Secretary shall award a
3 grant under this Act in a fiscal year to an eligible
4 organization in an amount determined on the basis
5 of—

6 (A) the size of the budget of the eligible
7 organization in such year compared to the size
8 of the budgets of all eligible organizations re-
9 ceiving assistance under this Act in such year;
10 or

11 (B) the size of the endowment of the eligi-
12 ble organization in such year compared to the
13 size of the endowments of all eligible organiza-
14 tions receiving assistance under this Act in such
15 year.

16 (2) PERMISSIVE.—The Secretary may award a
17 grant under this Act in a fiscal year to an eligible
18 organization in an amount determined on the basis
19 of—

20 (A) the number of students served individ-
21 ually by the eligible organization in such year
22 compared to the number of students served in-
23 dividually by all eligible organizations receiving
24 assistance under this Act in such year; or

1 (B) the eligible organization's audited fi-
2 nancial statement for the preceding fiscal year.

3 (c) APPLICATION.—

4 (1) IN GENERAL.—Each eligible organization
5 desiring a grant under this Act in any fiscal year
6 shall submit an application to the Secretary at such
7 time, in such manner, and containing or accom-
8 panied by such information as the Secretary may
9 reasonably require.

10 (2) CONTENTS.—Each application shall in-
11 clude—

12 (A) information documenting the provision
13 of authorized activities described in section 4 by
14 the eligible organization to students in the year
15 preceding the year for which assistance under
16 this Act is requested; and

17 (B) the eligible organization's audited fi-
18 nancial statement for the preceding fiscal year.

19 **SEC. 3. DEFINITIONS.**

20 For the purposes of this Act—

21 (1) the term “college” means an institution of
22 higher education (as such term is defined in section
23 1201(a) of the Higher Education Act of 1965) that
24 awards an associate's or bachelor's degree;

1 (2) the term “eligible organization” means an
2 organization that—

3 (A) provides a school-based advisor to stu-
4 dents attending public secondary schools and
5 offers assistance and incentives to encourage
6 such students to attend college;

7 (B) has been in existence for 2 years prior
8 to the date of enactment of this Act;

9 (C) awards last dollar, gap financing; and

10 (D) is an organization described in section
11 501(c)(3) of the Internal Revenue Code of
12 1986;

13 (3) the term “Fund” means the College Access
14 Endowment Fund established in section 5(a);

15 (4) the term “last dollar, gap financing” means
16 the funds required to fill the gap between the cost
17 of college and the resources available to a student,
18 which resources shall include a family contribution
19 and any financial aid awarded to a student;

20 (5) the term “Secretary”, unless otherwise
21 specified, means the Secretary of Education; and

22 (6) the term “secondary school” has the same
23 meaning given to such term by section 1471(21) of
24 the Elementary and Secondary Education Act of
25 1965.

1 **SEC. 4. AUTHORIZED ACTIVITIES.**

2 Grant funds under this Act may be used by an eligi-
3 ble organization to provide students attending public sec-
4 ondary schools with—

5 (1) funds to enable such students to attend col-
6 lege;

7 (2) information about college and financial aid
8 for college;

9 (3) information about academic qualifications
10 and preparation for college;

11 (4) the costs of preparing for admission to col-
12 lege, including the costs of college entrance exams,
13 application fees, financial aid forms, and scholastic
14 aptitude test (SAT) and American College Test
15 (ACT) exam preparation courses;

16 (5) full and partial financial grants, especially
17 last dollar, gap financing;

18 (6) assistance in selecting and applying for ap-
19 propriate colleges and applying for available finan-
20 cial aid;

21 (7) the costs of entering college, including dor-
22 mitory reservation and college acceptance fees; or

23 (8) continuing college mentors, including paying
24 students to act as tutors and peer counselors at col-
25 lege.

1 **SEC. 5. COLLEGE ACCESS ENDOWMENT FUND.**

2 (a) ESTABLISHMENT.—There is established in the
3 Treasury of the United States an endowment fund to be
4 known as the College Access Endowment Fund. The Fund
5 shall consist of amounts appropriated to the Fund pursu-
6 ant to section 8 of this Act.

7 (b) INVESTMENT.—It shall be the duty of the Sec-
8 retary of the Treasury to invest in full amounts appro-
9 priated to the Fund. Such investments may be made only
10 in interest-bearing obligations of the United States or in
11 obligations guaranteed as to both principal and interest
12 by the United States. For such purpose, such obligations
13 may be acquired (1) on original issue at the issue price,
14 or (2) by purchase of outstanding obligations at the mar-
15 ket price. The purposes for which obligations of the United
16 States may be issued under the Second Liberty Bond Act,
17 as amended, are hereby extended to authorize the issuance
18 at par of special obligations exclusively to the Fund. Such
19 special obligation shall bear interest at a rate equal to the
20 average rate of interest, computed as to the end of the
21 calendar month next preceding the date of such issue,
22 borne by all marketable interest-bearing obligations of the
23 United States then forming a part of the public debt, ex-
24 cept that where such average rate is not a multiple of one-
25 eighth of 1 percent, the rate of interest of such special
26 obligations shall be the multiple of one-eighth of 1 percent

1 next lower than such average rate. Such special obligations
2 shall be issued only if the Secretary of the Treasury deter-
3 mines that the purchase of other interest-bearing obliga-
4 tions of the United States, or of obligations guaranteed
5 as to both principal and interest by the United States on
6 original issue or at the market price, is not in the public
7 interest.

8 (c) SALE AND REDEMPTION.—Any obligation ac-
9 quired by the Fund (except special obligations issued ex-
10 clusively to the Fund) may be sold by the Secretary of
11 the Treasury at the market price, and such special obliga-
12 tions may be redeemed at par plus accrued interest.

13 (d) INTEREST AND PROCEEDS.—The interest on, and
14 the proceeds from the sale or redemption of, any obliga-
15 tions held in the Fund shall be credited to and form a
16 part of the Fund.

17 **SEC. 6. EXPENDITURES FROM THE FUND.**

18 (a) IN GENERAL.—The interest and earnings of the
19 Fund shall be available to the Secretary to enable the Sec-
20 retary to award grants to eligible organizations in accord-
21 ance with this Act.

22 (b) AUDIT.—The activities of each eligible organiza-
23 tion receiving a grant under this Act may be audited by
24 the General Accounting Office under such rules and regu-
25 lations as may be prescribed by the Comptroller General

1 of the United States. The representatives of the General
2 Accounting Office shall have access to all books, accounts,
3 records, reports, and files and all other papers, things, or
4 property belonging to or in use by the eligible organiza-
5 tion, pertaining to such activities and necessary to facili-
6 tate the audit.

7 **SEC. 7. REPORT; TERMINATION OF GRANT PAYMENTS.**

8 (a) REPORT.—Each eligible organization receiving a
9 grant under this Act shall annually prepare and submit
10 to the Secretary a report demonstrating such organiza-
11 tion's compliance with the provisions of this Act.

12 (b) TERMINATION.—The Secretary shall terminate
13 grant payments under this Act for any eligible organiza-
14 tion which the Secretary determines is not in compliance
15 with the provisions of this Act.

16 **SEC. 8. AUTHORIZATION OF APPROPRIATIONS.**

17 There are authorized to be appropriated to the Fund
18 \$25,000,000 for fiscal year 1993 to carry out this Act.

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